



Department of Veterans Affairs

Office of Inspector General

December 2010 Highlights

OIG REPORTS

Review of a Deceased Veteran's Quality of Care at a VA Medical Center

At a Congressman's request, the Office of Inspector General (OIG) conducted an inspection to assess the quality of a Veteran's care at a VA Medical Center (VAMC) and to determine if the events leading to the Veteran's death were connected to any issues with the quality of care. OIG's review identified three areas for improvement.

Specifically, the VAMC needs to ensure smooth transitions when there are changes in Veterans' providers and/or care settings, improve internal communications between providers and external communications with Veterans and other parts of the VA system, and review the procedures of the Disruptive Behavior Committee. OIG issued four recommendations to the VAMC leadership to correct the findings. [\[Click here to access report.\]](#)

Review of Combat Stress in Veterans Receiving VA Health Care and Disability Benefits

As directed by the Conference Report to Accompany the *Consolidated Appropriations Act of 2010*, OIG conducted a review to assess VA's capacity to address combat stress in women Veterans. Using integrated data from VA and the Department of Defense, OIG observed that VA generally diagnosed higher proportions of female Veterans with mental health conditions after separation, while lower proportions were diagnosed with the specific mental health condition of Post-Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury. OIG also identified several issues pertaining to Military Sexual Trauma (MST) that require the attention of Veterans Benefits Administration's (VBA) leadership. In addition, OIG found that most regional offices do not post signs informing Veterans about the services available through the Women Veterans Coordinators. Furthermore, many of the Women Veterans Coordinators and claims processors that OIG spoke with stated they often felt unprepared to communicate effectively with Veterans regarding their MST-related disability claims. OIG found that although VBA does provide some instruction on processing MST-related claims as part of PTSD training, they have not assessed the feasibility of requiring additional MST-related training and testing. OIG issued four recommendations to VBA to address the identified issues. [\[Click here to access report.\]](#)

CRIMINAL INVESTIGATIONS

Pharmaceutical Company and Subsidiary Settle with Government

Ireland-based Elan Corporation, Public Limited Company (Elan), and its U.S. subsidiary, Elan Pharmaceuticals, Incorporated (EPI), agreed to pay a \$203.5 million global settlement to resolve criminal and civil liability arising from the illegal promotion of the epilepsy drug, Zonegran. EPI agreed to plead guilty to a misdemeanor, pay a \$97,050,266 criminal fine and forfeit \$3.6 million in substituted assets for the misbranding of the drug in violation of the *Food, Drug and Cosmetic Act*. The settlement was based on a multiagency investigation that revealed EPI promoted the

sale of Zonegran for a variety of improper off-label uses. Elan will pay \$102,890,517 to resolve civil allegations under the *False Claims Act* that it illegally promoted Zonegran and caused false claims to be submitted to Government health care programs, to include VA. VA's portion of the settlement is \$1,044,862. In a separate civil settlement, a pharmaceutical company, which purchased Zonegran from Elan, paid \$11 million to resolve civil liability for off-label marketing of the drug. VA's portion of this settlement is \$293,363.

Corporation and Subsidiary Sentenced for Medical Device Fraud

Synthes Incorporated and Norian Corporation, a wholly owned subsidiary of Synthes, were each sentenced after pleading guilty to shipping adulterated and misbranded products in interstate commerce and conspiracy to impair and impede the lawful functions of the Food and Drug Administration, and to commit crimes against the United States. Synthes was fined \$200,000, ordered to pay \$469,800 in restitution (\$30,000 being paid to VA), and divest itself of Norian. Norian was fined \$22.5 million and a special assessment of \$14,150. They were also excluded from conducting future business with any Federal funded program. The sentencing of four executives previously convicted for their roles in the fraud is pending.

Muskogee, Oklahoma, VARO Employee and Nephew Indicted for Education Benefits Fraud

A Muskogee, OK, VA Regional Office (VARO) employee and his nephew were indicted for theft of Government funds after an OIG investigation revealed that the defendants conspired to defraud VA by submitting fraudulent claims for VA education benefits. The loss to VA is approximately \$45,000.

Veteran Indicted for PTSD Fraud

A Veteran was arrested after being indicted for mail fraud and false statements. A multiagency investigation revealed that the Veteran provided false statements during his application for non-combat related PTSD benefits. The Veteran was previously indicted for possessing altered military discharge paperwork and Stolen Valor after an earlier investigation revealed that he possessed an altered DD-214 falsely reporting that he earned the Vietnam Campaign Medal. The Veteran provided the altered DD-214 to local news media and a Veterans of Foreign Wars post when running for re-election as a county Commissioner of Revenue. The loss to VA is \$55,000.

Former Veterans Service Officer Sentenced for Travel Fraud

A former Arizona Department of Veterans Services employee was sentenced to 36 months' probation and ordered to pay \$16,027 in restitution after pleading guilty to theft. An OIG investigation determined that the defendant, who lived in the local Phoenix, AZ, area, fraudulently claimed to have traveled 500 miles roundtrip to the Phoenix VAMC for his medical appointments.

Former Lyons, New Jersey, VAMC Employee and Associate Sentenced for Fraud

A former Lyons, NJ, VAMC employee and an associate in the employee's private practice were sentenced on previous convictions for healthcare fraud. The former

employee was sentenced to 366 days' incarceration and 36 months' probation. Her associate was sentenced to 30 months' incarceration and 36 months' probation. Both defendants were also ordered to pay \$76,496 in restitution. A multiagency investigation revealed that the VA employee and the associate devised a scheme to misrepresent the associate's qualifications and bill Government and private insurers at inflated prices and for greater services than actually provided.

Former Las Vegas, Nevada, VAMC Employee Sentenced for VA Beneficiary Fraud

A former Las Vegas, NV, VAMC employee, who is also a Veteran, was sentenced to 366 days' incarceration for theft of Government funds, 10 months' incarceration for the unlawful wearing of a service medal, 3 years' probation, and ordered to pay \$180,000 in restitution to VA. An OIG investigation revealed that the defendant filed fraudulent paperwork with the U.S. Air Force and VA claiming to have been awarded a Purple Heart for being wounded in Vietnam. Based upon the fraudulent claims and counterfeit documents submitted by the Veteran, the U.S. Air Force awarded him a Purple Heart. The Veteran then used the Purple Heart and a self inflicted gunshot wound, received 20 years after his military service, to obtain compensation benefits from VA.

Two Former Gainesville, Florida, VAMC Employees Sentenced for Fraud

Two former Gainesville, FL, VAMC employees were sentenced to 2 years' probation and ordered to pay restitution of \$5,398 after pleading guilty to the embezzlement of Government funds. An OIG investigation revealed that the two defendants, a VA Travel Clerk and a VA Agent Cashier, conspired to file 62 fraudulent travel vouchers and embezzle the funds.

Former Union Official Sentenced for Fraud

The former President of an American Federation of Government Employees (AFGE) Chapter located at the Albuquerque, NM, VAMC was sentenced to 4 months' incarceration, 36 months' probation, and ordered to pay \$77,458 in restitution to AFGE after pleading guilty to wire fraud and deprivation of honest services. An OIG and Department of Labor investigation determined that the defendant embezzled AFGE funds by making ATM withdrawals and personal charges using an AFGE bank card.

Realtor Sentenced for Making False Statements

A realtor was sentenced to 36 months' probation, fined \$10,000, and ordered to pay restitution of \$25,000 to VA after pleading guilty to making a false statement. An investigation conducted by OIG and the Federal Bureau of Investigation revealed that the defendant was working for a property management firm hired by VA to rehabilitate foreclosed homes. The defendant and a local contractor conspired to submit bogus bids to ensure that the contractor was awarded all of the realtor's repair work on the foreclosed properties. For his part of the scheme, the defendant received 15 percent of the payments.

Daughter of Deceased Beneficiary Charged with Theft

The daughter of a deceased beneficiary was charged with theft of Government property after an OIG investigation determined she continued to access a joint bank account

after her mother's death. For more than 9 years, the defendant used the VA benefits to pay for personal expenses, to include remodeling her house. The loss to VA is \$129,839.

Portland, Oregon, VAMC Technician Indicted for Drug Theft

A Portland, OR, VAMC medical technician was indicted for identity theft and computer crime after an OIG and VA Police investigation revealed that she diverted controlled substances from a VA Acudose medication dispensing machine. The defendant admitted to diverting the narcotics for over a year by using fictitious identities or identities of patients that were no longer under her care. The employee also admitted to using the narcotics while on-duty.

Widow Sentenced for Theft of VA Pension Benefits

The widow of a deceased Veteran was sentenced to 15 months' incarceration, 36 months' probation, and ordered to pay \$70,000 in restitution after pleading guilty to the theft of Government property. An OIG investigation revealed that the defendant remarried and continued to receive VA surviving spouse pension benefits that she was no longer entitled to receive.

Daughter of Deceased Beneficiary Changes Plea to Guilty

The daughter of a deceased VA beneficiary changed her plea to guilty during her trial for theft of Government funds. The defendant stole VA benefits that were issued after her mother's death in March 1994. The loss to VA is \$136,885.

Veteran Sentenced for Assault on VA Physician

A Veteran was sentenced to 2 years' probation and ordered to pay \$1,816 in restitution after pleading guilty to assaulting a VA physician at the Tuskegee, AL, VAMC. An OIG investigation revealed that after the defendant's request for prescription narcotics was denied, he trapped the VA physician in an examination room and threatened to assault and kill him.

Veteran Pleads Guilty to Making Threats Against VA

A Veteran pled guilty to making threats by means of an explosive device after leaving threatening voicemail messages at the White River Junction, VT, VAMC. An OIG and VA Police investigation revealed that the defendant stated he would blow up the place and use an AK-47 and MAC-10 to "Go out in a blaze of glory." During the interview, the defendant admitted to making the phone calls and provided a written statement that said, "If you take away my disability, I will go on a killing spree." In 2009, the Veteran had threatened another VAMC by threatening to make an ammonium nitrate bomb.

Veteran Arrested at VA Facility

The OIG assisted a U.S. Marshals Service Fugitive Apprehension Task Force with locating and arresting a Veteran at a VAMC homeless facility. The Veteran, categorized as a violent sexual predator, was wanted for failure to register as a sex offender.

Veteran Pleads Guilty to Threatening VA Employees

A Veteran pled guilty to charges of assaulting and intimidating a Federal employee and was sentenced to time served (60 days), 5 years' probation, 120 hours' community service, and ordered to attend anger management and substance abuse counseling. On two separate occasions, the Veteran threatened to kill VA employees with his AK-47 if he was not granted his VA disability rating.

Non-Veteran Sentenced for Theft of VA Benefits

A Veteran impersonator was sentenced to 6 months' incarceration, 36 months' supervised release, and ordered to pay \$33,000 in restitution after pleading guilty to theft of Government property. An OIG investigation revealed that the defendant, who never served in the military, created fraudulent documentation in order to receive medical treatment and medication from VA.

*(original signed by Richard J. Griffin,
Deputy Inspector General for:)*

GEORGE J. OPFER
Inspector General